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October 2, 2000

**By Hand**

David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

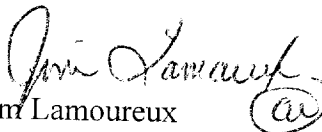
Re: *Proceeding to Establish "Permanent Prices" for Interconnection and Unbundled  
Network Elements*  
**Docket No. 97-01262**

Dear Mr. Waddell:

Pursuant to the TRA's Request at the Sunshine Conference on August 29, 2000, enclosed are the original and thirteen copies of AT&T's Comments on Revised BellSouth Cost Studies. AT&T did call the Executive Secretary's office on September 29, 2000 and requested an extension to file today.

If you have questions, please call me.

Sincerely,

  
Jim Lamoureux

Encls.

cc: Counsel for all Parties of Record (w/encls.)

POSTED  
10-3-00

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY**

In Re: Petition to Convene A Contested	)	
Case Proceeding to Establish Permanent	)	Docket No. 97-01262
Prices for Interconnection and Unbundled	)	
Elements	)	

**AT&T'S COMMENTS CONCERNING BELL SOUTH'S  
JUNE 1, 2000 COST STUDIES**

Pursuant to the request issued by the Authority on August 29, 2000, AT&T Communications of the South Central States, Inc. ("AT&T") hereby submits its comments concerning the cost studies for certain unbundled network element combinations (i.e., loop and transport combinations) filed by BellSouth on June 1, 2000, in this proceeding. Although such combinations were never considered in the hearings in this proceeding, AT&T agrees that BellSouth must provide such combinations and that rates must be established. However, because BellSouth's cost studies for these combinations were never subject to the review of a hearing, it is vitally important that the Authority and the Staff subject BellSouth's cost studies to particularly close scrutiny. AT&T has adjusted BellSouth's cost studies and proposed rates in accordance with the following comments. AT&T's proposed rates are included in Attachment A to these comments.

It appears to AT&T that the recurring rates proposed by BellSouth conform to earlier decisions by the Authority in this proceeding. Accordingly, AT&T has no comments concerning the recurring cost studies or the recurring rates proposed by BellSouth for loop-transport combinations.

AT&T is concerned, however, with the non-recurring rates proposed by BellSouth for loop-transport combinations. BellSouth's non-recurring cost studies should be non-

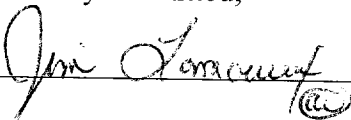
discriminatory and should not impose prohibitive barriers to competitive entry. The non-recurring cost studies also should reflect forward-looking assumptions and competitive efficiencies, such as direct access to BellSouth's OSS and minimal or no manual activities. Moreover, BellSouth's non-recurring cost studies should not reflect the imposition of workgroups and activities upon CLECs that BellSouth does not use in its own retail operations. Activities associated with manual assistance due to errors in the network management systems and databases do not benefit customers and are unnecessary in a forward-looking environment. This is because efficiently managed systems do not experience these errors. Most, if not all fallout from OSS is a result of mismatching data from one system to the other. Maintaining the accuracy of these databases is a function of normal day-to-day maintenance and is recovered through recurring costs. Poorly maintained systems result in higher recurring costs. Such non-recurring manual activities are a function of embedded inefficiencies, and result in costs for which CLECs should not compensate BellSouth. To reflect these assumptions, AT&T has eliminated from BellSouth's cost studies all non-recurring costs that have no justification in a forward-looking network architecture and efficient provisioning process (See Attachment A). For example, BellSouth introduces unnecessary workgroups and costs in the CLEC provisioning process, which BellSouth's own retail operations do not incur. Such workgroups as the Local Customer Service Center (LCSC) and the UNE Center (UNEC)/Access Customer Advocate Center (ACAC) are intermediary work groups which are not intended for efficient operations, and are completely unnecessary in an automated world using efficient, forward-looking OSS. Additionally, AT&T has adjusted work times for certain work group activities to reflect more forward-looking

assumptions. Most of these changes are necessary to reflect consistent application of work times between individual UNE studies covering similar work routines.

Fiber technology and intelligent digital and optical support equipment also provide for remote electronic access and mechanized efficiencies for installing, disconnecting and re-arranging UNEs and UNE combinations. Nonetheless, BellSouth has assumed 100% manual work by a host of work centers. While some "fallout" may be appropriate, BellSouth's 100% assumption is inappropriate in a forward-looking cost study. AT&T has adjusted this assumption, so that for those work groups that should be involved if an electronic mechanized order were to "fall-out" of the provisioning process, AT&T assumes BellSouth's affected work centers will be manually involved 10% of the time.

AT&T has adjusted BellSouth's cost studies to be more consistent with the forward-looking requirements of the FCC's UNE pricing rules. AT&T requests that the TRA adopt rates for loop transport combinations as set forth in Attachment A rather than the rates proposed by BellSouth.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Jim Lamoureux", is written over a horizontal line.

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October 2, 2000

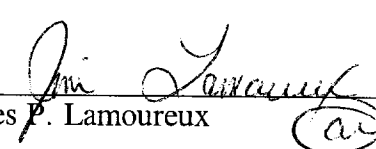
NASHVILLE, TENNESSEE

*In Re: Contested Case Proceeding to Establish Final Cost Based  
Rates for Interconnection and Unbundled Network Elements*

*Docket No: 97-01262*

CERTIFICATE OF SERVICE

I, James P. Lamoureux, hereby certify that I have served a copy of the foregoing to the following counsel of record via U. S. First Class Mail, postage paid, this 2nd day of October, 2000.

  
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BellSouth TELRIC Calculator  
Unbundled Network Cost Elements Summary Report  
Tennessee

Cost Element	AT&T Proposed					BellSouth Proposed				
	Recurring	Non Recurring	First	Additional	Subsequent	Recurring	Non Recurring	First	Additional	Subsequent
P 0 UNBUNDLED LOOP COMBINATIONS										
P 1 2-WIRE VOICE GRADE LOOP WITH 2-WIRE LINE PORT										
P 1.1 Exchange Port - 2-Wire Line Port	13.93					13.93				
P 1.2 Exchange Port - 2-Wire Line Port	1.27					1.27				
P 1.3 2-Wire Voice Grade Loop / Line Port Combination - Non-recurring Costs			0.29		0.29			1.03		0.29
P 1.4 2-Wire Voice Grade Loop / Line Port Combination - Incremental Cost - Manual Svc Order vs. Electronic			30.89		7.03			30.89		7.03
P 1.5 2-Wire Voice Grade Loop / Line Port Combination - Subsequent Database Update - Non-recurring Costs										
P 1.6 2-Wire Voice Grade Loop / Line Port Combination - Subsequent Database Update - Incremental Cost Manual Service Order vs. Electronic Service Order					0.00					0.76
					7.97					7.97
P 3 2-WIRE VOICE GRADE LOOP WITH 2-WIRE DID TRUNK PORT										
P 3.1 Exchange Port - 2-Wire DID Trunk Port	10.67					10.67				
P 3.2 Exchange Port - 2-Wire DID Trunk Port	8.26					8.26				
P 3.3 2-Wire Voice Grade Loop / 2-Wire DID Trunk Port Combination - Non-recurring Costs			0.65		0.74			8.76		5.75
P 3.4 2-Wire Voice Grade Loop / 2-Wire DID Trunk Port Combination - Incremental Cost - Manual Svc Order vs. Electronic			41.43		9.60			41.43		9.60
P 4 2-WIRE ISDN DIGITAL GRADE LOOP WITH 2-WIRE ISDN DIGITAL LINE SIDE PORT										
P 4.1 Exchange Port - 2-Wire ISDN Line Side Port	18.13					18.13				
P 4.2 Exchange Port - 2-Wire ISDN Line Side Port	15.72					15.72				
P 4.3 2-Wire ISDN Digital Grade Loop / 2-Wire ISDN Line Side Port Combination - Non-recurring Costs										
P 4.5 2-Wire ISDN Digital Grade Loop / 2-Wire ISDN Line Side Port Combination - Non Feature Subsequent Activity - Non-recurring Costs					0.33					117.23
					0.33					117.23
P 5 4-WIRE DS1 DIGITAL LOOP WITH 4-WIRE ISDN DS1 DIGITAL TRUNK PORT										
P 5.1 Exchange Port - 4-Wire ISDN DS1 Digital Trunk Port	61.74					61.74				
P 5.2 Exchange Port - 4-Wire ISDN DS1 Digital Trunk Port	73.62					73.62				
P 5.3 4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Non-recurring Costs			16.63		16.63			328.53		328.53
P 5.5 4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Channel Activation - Per Channel		0.94					28.39			
P 5.6 4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Inward/Outward Telephone Numbers		0.07					0.94			
P 5.7 4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Inward/Outward Telephone Numbers		1.12					22.38			
P 5.8 4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Inward/Outward Telephone Numbers		2.24					44.71			
P 5.9 4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Service Order Per Order		0.00					189.76			
P 15 4-WIRE DS1 DIGITAL LOOP WITH 4-WIRE DID TRUNK PORT										
P 15.1 Exchange Port - 4-Wire DID Trunk Port	61.74					61.74				
P 15.2 Exchange Port - 4-Wire DID Trunk Port	35.04					35.04				
P 15.3 4-Wire DS1 Digital Loop / 4-Wire DID Trunk Port Combination - Non-recurring Costs			65.06		65.06			312.91		312.91
P 15.5 4-Wire DS1 Digital Loop / 4-Wire DID Trunk Port Combination - Subsequent Channel Activation - Per Channel		7.03					108.67			
P 15.6 4-Wire DS1 Digital Loop / 4-Wire DID Trunk Port Combination - Subsequent Telephone Numbers		6.43					88.66			
P 15.7 4-Wire DS1 Digital Loop / 4-Wire DID Trunk Port Combination - Subsequent Signaling Changes		0.86					22.92			
P 15.8 4-Wire DS1 Digital Loop / 4-Wire DID Trunk Port Combination - Subsequent Service Order Per Order		0.00					94.88			
P 17 Non-recurring Cost for Extended Loop or Local Channel and Interoffice Combination										
P 17.1 Non-recurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch as is			9.86		7.74			52.73		24.62
P 17.199 Non-recurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch as is Disconnect			5.47		3.65			8.12		9.12